

EMPIRE CITY SUBWAY COMPANY (Ltd.)

RULES AND REGULATIONS

GOVERNING THE OCCUPANCY OF THE

TELEGRAPH AND TELEPHONE SUBWAYS

Approved by the Commissioner of Water Supply, Gas and Electricity, Dec. 31st, 1913

SECTION I.

Applications for Space.

All applications for space in the subways shall be made in writing and shall give:

- (a) The name of the applicant.
- (b) The term for which the space is desired.
- (c) The purpose for which the space is desired.
- (d) The size and number of ducts required.
- (e) The number and dimensions of the cables to be placed in the ducts.
- (f) The number, size and material of conductors in cables, and character of insulation.
- (g) The arrangement of conductors, whether singly or in pairs.
- (h) The maximum electro-motive force of the machines or batteries supplying the current to be used.
- (i) Such other specific information as will fully explain the use to be made of the space desired.

The written consent of the Commissioner of Water Supply, Gas and Electricity must be obtained before the Subway Company will allow any conductors to be placed in the space assigned.

Electro-motive Force, Current and Tests.

The Rules of the Department of Water Supply, Gas and Electricity, covering the insulation resistance of conductors and the tests for determining the same, must be complied with.

All tests and determinations must be made by the parties owning or controlling the conductors.

The electro-motive force and the amount of current conveyed in the cable or cables placed in the subways shall be limited, by fusing or otherwise, to such an amount that in the event of crosses, grounds or other trouble in the cables, such trouble shall not cause damage to the property of the Subway Company or to the cables of any of its other tenants.

4

The Subway Company reserves the right, subject to the approval of the Commissioner of Water Supply, Gas and Electricity, or his successors in authority, to make such limitations of voltage and current and to make such rules in regard to fusing as may from time to time be necessary.

AMENDMENT OF SECTION 2 OF RULES AND REGULATIONS OF EMPIRE CITY SUBWAY COMPANY (LTD.) TO BLOME. EFFECTIVE DECEMBER 31, 1954.

SECTION ?

RENTALS

NO SPACE IN THE SUBWAYS WILL BE RENTED FOR A PERIOD OF LESS THAN ONE YEAR.

NO SPACE WILL BE RENTED FOR A DISTANCE OF LESS THAN ONE BLOCK, EXCEPT AT CENTRAL OFFICES.

RENTALS SMALL BE PAID MONTHLY IN ADVANCE EXCEPT THAT WHEN IT IS MECESSARY TO CONSTRUCT ADDITIONAL SUBMAY SPACE, APPLICANTS WILL BE REQUIRED TO PAY RENTALS FOR THE SUBMAY SPACE THEREIN APPLIED FOR, YEARLY IN ADVANCE, DURING SUCH PERIOD, NOT LESS THAN FIVE YEARS, AS IS PROVIDED IN THE CONTRACT SIVING SATISFACTORY GUARANTLE FOR PERFORMANCE IN ACCORDANCE WITH SECTION 734(5)-13.0 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK.

APPROVED:

(SGD) ARTHUR C. FORD

COMMISSIONER OF WATER SUPPLY.

GAS AND ELECTRICITY

DATE: DECEMBER 31,1954

SECTION 3.

Access to and Performance of Work in Subways and Manholes.

Right of Access.

Access to the subways and manholes shall be limited, except to Department of Water Supply, Gas and Electricity, to the authorized representatives of:

- 1. The Empire City Subway Company (Limited).
- 2. The lessess or occupants of the ducts.

Permits for Access.

Access to the subways may be had by the duly authorized representatives of the foregoing, by permission of the Subway Company, and such persons shall see that the manholes are properly opened and closed.

No access will be permitted to the subways on Sundays or holidays, nor during the night time, except in cases of emergency. There will be no delay by the Subway Company under ordinary circumstances in giving access, but in special cases the Company reserves the right to exact reasonable notice of the desire for access and to deny or postpone the same.

WHENEVER THE EMPIRE CITY SUBWAY CO.

GASEOUS CONDITION CHRONIC HAS NOTICE THAT THE MANHOLE IS

DANGE

USE BLOWER < 0 G. 02

THE ABSENCE OF SUCH DANGER TAG ON AN TO THE HANDLE OF THE INNER COVER

Penalty for Tampering.

Any attempts to gain admission to the manholes and access to the Company's property, or to the property of its tenants, without a permit from the Company, by opening or breaking the lock, bar or other portion of the manhole, will be prosecuted to the full extent of the law.

Manhole Guard Rails.

Whenever a manhole is opened, an iron guard rail of a design approved by the Subway Company shall be furnished and placed in the opening, as a warning to the public, by the person or corporation on whose behalf the manhole is opened.

Precaution Against Gas in Manholes.

When manholes are first opened, the person desiring to work therein shall satisfy himself that they are free from gas, and if not, he shall ventilate them. The Subway Company will, when requested, provide a fan or blower to be operated by the person desiring access, for the purpose of clearing the manholes of gas to such an extent as to render it safe for the workmen to enter therein. If, after the first ventilation, gas is still noticed, the ventilation shall be continued.

Watchman on the Surface.

In all work conducted in the manholes, one man shall always be provided by the person or corporation working in the manhole, to act as watchman on the surface at each manhole when opened, who shall keep constant guard and give warning to the public.

Smoking Prohibited.

Smoking will not be permitted in or around the manholes.

Intoxicating Liquors Prohibited.

No one under the influence of liquor shall be allowed to engage in work in the subways.

Protection Against Dust and Wind.

No cover of any kind whatsoever shall be allowed to be placed over the manhole opening at a less distance than four feet from the level thereof, but a shield may be placed around the windward half of the iron guard rail to protect the workmen from dust and wind.

Night Work.

Whenever it is desired to carry on work in the manholes or service boxes during the night time, the person or persons desiring to work therein shall provide and place red lanterns around the openings, as a warning to the public.

No device for providing artificial light shall be used in the manholes unless the same has been approved by the Subway Company.

Tenants to Assist in Emergency.

The Subway Company may, at any time, cause the work in progress in any manhole to be temporarily suspended.

If in the judgment of the Subway Company such assistance is required to cope with an emergency, the person or persons working in or about the manhole shall co-operate to prevent accidents.

Information Regarding Accidents.

All persons connected in any way with the work in progress in the subways shall be required to give to the Subway Company the details of any accident, which may occur in connection with such work.

SECTION 4.

Installation and Arrangement of Cables in Subways.

Cables to be Tagged.

For the purpose of identification, tags of a style approved by the Subway Company shall be securely placed in each manhole on all cables therein.

Cables to have Slack.

All cables drawn into the subways shall have sufficient slack to allow them to be stowed away around the walls of the manholes upon the hooks or racks provided, in such arrangement as may be determined by the Subway Company.

Covering of Cables and Conductors. All conductors drawn into the subways shall be protected by a metallic covering. which shall be continuous from end to end; and where splices occur, the covering shall be joined by a metallic sheath, soldered so as to make a watertight joint. Exceptions to this rule may be made by the written consent

of the Subway Company.

Cables bound or wrapped with cloth, or having any kind of a fibrous covering, or coated with tar or any asphaltic composition which might adhere to the duct, will not be allowed in the subways.

Protection Against Stray Electric Currents.

Owners of the cables in the subways shall take all the precautions necessary to protect their own cables from damage by stray electric current and work done to relieve any dangerous condition occasioned by such currents shall be made in a manner not to endanger other cables in the subway.

Fixtures in Manholes.

No terminal or test box will be permitted to remain permanently in the manholes.

SECTION 5.

Repairs and Alterations to Cables and Conductors to be made by Owner.

Applications For.

All applications for permits to make repairs or alterations to cables in the subways which involve the withdrawal, substitution or replacing of a cable or cables, shall give:

- (a) The name of the applicant, and
- (b) A complete identification of the cable or cables referred to and of the particular duct or ducts to which access is desired.

.,

Immediately after any repairs or alterations are made to a cable or cables, a report giving the details thereof shall be made to the Subway Company, if called for.

Repairs at Expense of Owner.

Whenever, in the judgment of the Subway Company, repairs or alterations to a cable or cables are necessary, said repairs or alterations shall be made by, and at the expense of the person or corporation owning or controlling them. During the progress of any such repairs or alterations, the owner of the cable or cables shall take such precautions as may be necessary or expedient to protect the property of the Subway Company and the cables of its tenants from injury.

Whenever, in the judgment of the Subway Company, the manhole conditions can be improved by change in position of any cable or cables, such change shall be made by and at the expense of the owner thereof, upon receiving notice from the Subway Company that such change is desirable.

SECTION 6.

Subsidiary Connections. A subsidiary connection shall be any extension for service purposes running from a

manhole or service box of the subway system which does not connect with any other manhole or service box of the same system.

Subsidiary connections shall be made by the Subway Company upon request of the occupant of the subway desiring the same, provided the same have been authorized by the Department of Water Supply, Gas and Electricity, and the payment to the Subway Company in lieu of rental, of the cost of construction and of repairing and maintaining the same, plus 15 per cent., is satisfactorily guaranteed.

Unless specially authorized by the Commissioner of Water Supply, Gas and Electricity, no subsidiary connection shall be longer than 150 feet, nor shall any such connection without such special authorization parallel any existing subway of the same system on the same street for more than onehalf the distance between manholes, existing

at the time of its construction.

Subsidiary connections may be transferred from one tenant to another, or occupied jointly, by and with the consent of the Subway Company.

SECTION 7.

Damages.

In no case shall the Subway Company be responsible for any damage or injury what-soever to persons or property due to the placing or operation of cables, conductors or other apparatus therein or connected therewith or by reason of stray electrical currents, or by reason of other acts or conditions over which it has no control. All work in subways, manholes or service boxes shall be performed entirely at the risk of the person or persons working therein, and his or their employer shall be responsible for any damage caused.

The manholes shall not be used for the storage of any apparatus, tools, lamps, oil, furnaces, clothing, or any other matter whatsoever without the consent of the Subway Company which reserves the right to refuse consent in any case. The employer of any person storing such articles in the manholes shall be responsible for any damage done by reason of any fire, explosion or other accident occurring as the result of the storage of such materials.

SECTION 8.

Effect of and Amendment of Rules and Regulations.

These rules and regulations are subject to and in addition to all rules and regulations made and established by the Department of Water Supply, Gas and Electricity so far as such rules and regulations are applicable to the property and operations of the Subway Company; and these rules and regulations of the Subway Company may be added to or amended from time to time with the approval of the Commissioner of Water Supply, Gas and Electricity, or his successor in authority, or by him cancelled.

Adopted by the Board of Directors of the Empire City Subway Co., Ltd., March 18th, 1914 IN THE MATTER OF THE SUPPLEMENTAL PETITION OF BELL ATLANTIC-NEW YORK FOR AUTHORITY TO PROVIDE IN-REGION INTERLATA SERVICES IN NEW YORK.

Applications for Space in the Electrical Subways

EMPIRE CITY SUBWAY COMPANY, LTD. APPLICATION FOR SPACE IN THE ELECTRICAL SUBWAYS

APPLICANT:	REQUESTED BY (ENGINEER):			
.DDRESS:	TELEPHONE NO:			
CITY/STATE:		DATE:		
TO THE EMPIRE CITY SUBWAY CO	MPANY (L.T.D.) RESPON	SIBILITY CODE:		
application is hereby made for Space in	the Electrical Subway (XXXXXXX	XXXXXXXXXXX) on:		
A.) FROM:		TO:		
B.) FROM:	то:			
C.) FROM:		TO:		
D.) FROM:		TO:		
£.) FROM:		TO:		
F.) FROM:		TO:		
for communication purposes. (Estimated	Distanceed TEN Year Rental	ns of said subways and)*assignment to applicant of the space herein applied for, to be used feet Estimated Annual Rental).		
		ly Constructed Ducts:		
DUCT INFORMATION:	INTERIOR DIAMETER:			
CABLE INFORMATION:	NUMBER OF DUCTS:	TYPE OF CABLE:		
	NUMBER OF INNERDUCTS:			
LECTRICAL CURRENT: Maximum	Voltage capacity of current source:	, , , , , , , , , , , , , , , , , , , 		
RENTAL LENGTHS OF DUCTS & I	DUCT POSITIONS APPLIED FO	PR (E.G.: XXX.XX R.L/POSITION)		
A.) RENTAL LENGTH:	DUCT POSITION:	SIZE:		
B.) RENTAL LENGTH:	DUCT POSITION:	SIZE:		
C.) RENTAL LENGTH:	DUCT POSITION:	SIZE:		
D.) RENTAL LENGTH:	DUCT POSITION:	SIZE:		
E.) RENTAL LENGTH:	DUCT POSITION:	SIZE:		
F.) RENTAL LENGTH:	DUCT POSITION:	SIZE:		
		ns governing the use of subways, as established from time to time by the Empire City he Subways, in the work of placing conductors in, and withdrawing cables occupying the		
*Further, the undersigned states that it is New York.	s the owner of the cable(s) above de	escribed and that it shall use such cable(s) in accordance with its franchise from the City o		
Return Completed Forms To:				
ECSC 40 West St, Rm 1900)	Signature of applicant		
New York, N.Y. 10007 Attn: Asset Manager		Title:		
	ACCTC DERT	Empire City Subway Company (LTD)		
FOR USE OF E.C.S. CO. A	ACCIG. DEFI.	Accepted By:		
Date of Assignment Total Duct Feet		ECS Director		
Amount		*DELETE PORTIONS IN BRACKETS WHERE INAPPLICABLE		

IN THE MATTER OF THE SUPPLEMENTAL PETITION OF BELL ATLANTIC-NEW YORK FOR AUTHORITY TO PROVIDE IN-REGION INTERLATA SERVICES IN NEW YORK.

Application for Surrender of Ducts in the Electrical Subways

EMPIRE CITY SUBWAY COMPANY, LTD. APPLICATION FOR THE SURRENDER OF DUCTS IN THE ELECTRICAL SUBWAYS

APPLICANT:	REQUESTED	BY (ENGINEER):			
ADDRESS:	TELEPHONE	NO:			
CITY/STATE:	DATE:				
TO THE EMPIRE CITY SUBWAY	COMPANY (L.T.D.)				
Gentlemen:					
Application is hereby made for the St In the Electrical Subway on:	urrender by the undersigned of the following	; Duct(s)*			
	(Street or Avenue)				
A.) FROM:	TO:				
A.) RENTAL LENGTHS:	DUCT POSITION(S):	SIZE:			
Rate of Rental, \$	Per Duct, Per Mile, Per Annum This Company Under Application No.				
B.) FROM:	TO:	:			
B.) RENTAL LENGTHS:	DUCT POSITION(S):	SIZE:			
Rate of Rental, \$The Above Duct Was Assigned To	Per Duct, Per Mile, Per Annum This Company Under Application No				
C.) FROM:	TO	:			
C.) RENTAL LENGTHS:	DUCT POSITION(S):	SIZE:			
Rate of Rental, S The Above Duct Was Assigned To	Per Duct, Per Mile, Per Annum This Company Under Application No				
	MOVED FROM DUCT BEFORE SURRENTIFIED IF CABLE(S) CANNOT BE REM				
		verning the use of subways, as established from time to time by the Empire City bways, in the work of placing conductors in, and withdrawing cables occupying			
Return Completed Forms To:					
Empire Customer Service Center (EC 140 West St, Rm 1900 New York, N.Y. 10007 Attn: Asset Manager	CSC)	Signature of Applicant Title:			
FOR USE OF E.C.S. CO. ACC Date of Surrender: Total Duct Feet: Rental Adjustment From:	TG DEPT.	Empire City Subway Company (LTD) Accepted By: ECS Director			
Amount:					

IN THE MATTER OF THE SUPPLEMENTAL PETITION OF BELL ATLANTIC-NEW YORK FOR AUTHORITY TO PROVIDE IN-REGION INTERLATA SERVICES IN NEW YORK.

Empire's New Construction Process

EMPIRE CITY SUBWAY CO/LTD NEW CONSTRUCTION PROCESS

Step	Time Frames	Process/Action
1	day 1	-Letter from tenant to Empire City Chief Engineer requesting new construction.
	day 2	-After review and approval by the Chief Engineer the request is forwarded to the Empire Customer Service Center, (ECSC) and the Engineer Estimate Manager.
2	day 6-20	-A Deferred charges Job order number is established by the ECSC for tracking all preliminary investigation charges.
		-An order file is established containing: -Tenant Letter -Engineering strip maps of area and existing facilities -Engineering reports of existing facilities -Copies of Duct Utilization system (DUS) duct cards indicating status of all terminated conduit in manholes -Copies of conduit Obstruction reports/Wire & Test letters -ECSC manager review and action plan development
3	day 20-30	 -Physical survey to verify the necessity of new construction. -ECSC prepares field verification package to verify no spares, alternate route availability, retired conduit or obstructed conduit. If;
		A spare is found - The duct is Roped and tagged, and the Tenant is notified and asked to process an Application for space. All charges are transferred to a Custom work Job Order and billed to the tenant. DUS updated
		An Alternate Route is found - All sections are roped and tagged and the Tenant is notified and asked to process an Application for space. All charges are transferred to a Custom work Job Order and billed to the tenant. DUS updated.
		A retired conduit can be reactivated - The duct is Roped and tagged, and the Tenant is notified and asked to process an Application for space. DUS updated and a

Report of Underground Conduit, RUC is prepared and forwarded to engineering.

Step	Time Frames	Process/Action	
------	-------------	----------------	--

An obstruction exists and an attempt will be made to clear - The Tenant is notified of the planned action and provided with an approximate start date and a completion date no longer than 85 days.

If construction is required

- day 30 -All current tenants are notified of pending new conduit construction and asked to respond with their specific conduit requirements in the designated section/s within 14 days.
 day 45-60 -An Engineering estimate request package is prepared and forwarded to
 - day 45-60 -An Engineering estimate request package is prepared and forwarded to the Estimate Engineer for estimate case preparation and the proper level authorization.
- 4c day 60-90 -A field Job Order and field package is prepared for construction of new conduit and a tentative start date scheduled.
 - Tenant letter
 - Engineering Maps
 - Job design
 - Utility location Maps
 - Code 53 request Report
 - NY City road opening permits
- day 90-140 -Construction of new conduit scheduled and completed The requesting tenants are notified and asked to forward Applications for Space. DUS is updated with new facilities and assigned to tenants and a Record of Underground Conduit (RUC), forwarded to engineering.

IN THE MATTER OF THE SUPPLEMENTAL PETITION OF BELL ATLANTIC-NEW YORK FOR AUTHORITY TO PROVIDE IN-REGION INTERLATA SERVICES IN NEW YORK.

Empire's Service Performance Measurements

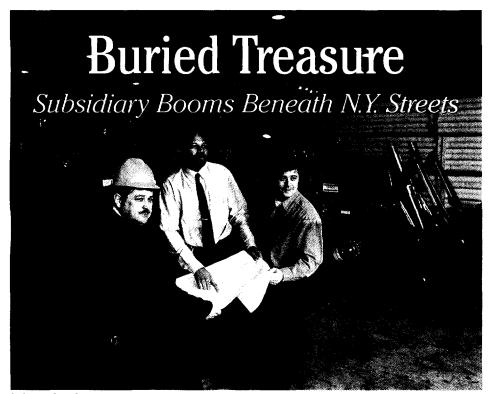
EMPIRE CITY SUBWAY CO., LTD SERVICE PERFORMANCE MEASUREMENTS

Average number of days to complete new mainline construction

	TOTAL JOBS	BELL ATLANTIC - NEW YORK	OTHER TENANTS
1996	80	125	112
1997 (6 Months)	65	112	90
Avg. (18 Months)	145	117	105

The SAME AND THE S

March 15, 1999



'X' Marks the Spot? No, it's not a treasure map. Assistant Construction Manager Joe Ribeiro, Construction Manager David Knights, and Assistant Construction Manager Anthony Barone (left to right) are checking plans in the new Empire City Subway garage, a facility that will accommodate recent rapid business growth. The rise of competition in New York drove the need for new quarters for the 118-year-old company.

s garages go, the just-opened

Queens or Staten Island because these

facility in the Hunts Point section of the Bronx, might seem rather ordinary. But for Empire, it's a giant stride forward in its ability to offer better customer care and a key factor in gaining important cost savings in the business.

It's also the first expansion of Empire's facilities in more than 25 years.

"This is a big deal for us," said Judith Kirkland, general manager of Operations. "When I came here in 1997, this became one of my top priorities because we were busting at the seams at our other two sites, one of which was built in the early 1900's."

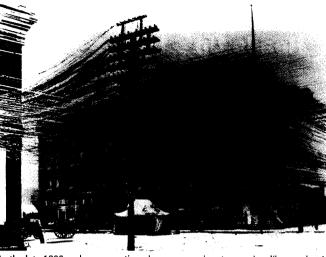
Empire City Subway Co., a subsidiary of Bell Atlantic-New York, was created in the late 1800's during the heyday of open telephone competition in New

York City. Back then, multiple telephone companies served single buildings, and customers of one company couldn't call customers of another. A jungle of telephone lines hung above the city streets, strung so haphazardly that they were safety hazards, which forced the government to step in and require that all wiring be placed underground.

Since 1891, ECS has held the City of New York's franchise for this underground placement. In the words of the contract, Empire City Subway has the license to "provide, build, equip, maintain and operate subways, conduits and ducts for telegraph and telephone conductors" for rent in the boroughs of Manhattan and the Bronx. (The franchise did not extend to Brooklyn,

York City until 1898.)

Today, ECS owns approximately
10,000 manholes and 10,260 miles of
conduit in Manhattan and the Bronx,
an area that has become one of the most
concentrated and lucrative telecommunications markets in the world. Bell
Atlantic still accounts for the lion's
share of Empire's business, occupying



In the late 1800s, when competing phone companies strung wires like spaghetti over streets, Empire City Subway was created to place the lines underground.

about 67 percent of the underground system. But as it did at the turn of the century, competition is once more creating pressing demand for Empire's services.

Said Kirkland, "today, we have more than 40 tenants (customers), including, AT&T, Cablevision, MCI WorldCom, RCN, Teleport and Time Warner, and they all want more and more space in our system."

Kirkland said Empire historically was installing about \$5 million to \$6 million worth of conduit every year. In 1997, however, that figure doubled to \$11.6 million, and in 1998, it doubled again to \$22 million.

"What that means is that we've (Continued on page 2)

The Wave: (703) 974-3444, (703) 974-8436 (Fax), 1310 North Court House Road, 9th Floor, Arlington, VA 22201, Editor: Ken Terrell If your address label is incorrect, update your job profile sheet.

Buried Treasure

(Continued from page 1)
almost tripled the amount of work we've been asked to do by our customers. And if you triple that, you have to do something about your equipment and your people, and this has translated into our inability to function efficiently with the facilities we had. The Hunts Point garage changes that dramatically."

"The new garage will enable us to add resources necessary to help us do an even better job in meeting our customers' growing demand for conduit facilities and related services here in Manhattan and the Bronx," said Arthur "Bud" Andersen, president-ECS.

David Knights, manager-Outside Construction, said the new garage and lot encompass about 60,000 square feet, which is the combined size of Empire's two existing facilities. Knights said the location was ideal.

"Hunts Point is a Federal Empowerment Zone," he said. "So we receive a discount on our real estate taxes and energy rates. It's also close to mass-transit facilities, which is a big help to our employees. More importantly, it's centrally located between the two boroughs and right next to a major highway. This will allow us to get anywhere in either Manhattan or the Bronx much faster, which is important when we have to respond to underground cable failures. It should help improve productivity, which helps us keep our prices competitive with other construction firms in our area."

The productivity will come from the 30,000-square-foot outside lot that can accommodate heavy construction vehicle, cutting nearly an hour off the travel time it takes Empire to get to job sites. Savings will also come from being able to buy supplies in larger, monthly amounts rather than weekly quantities.

Kirkland said increasing productivity time is critical for Empire because of the need to meet customer demands, which show no signs of lessening.